



CITY OF ROCKLIN
MINUTES OF
SPECIAL MEETING
OF THE
ROCKLIN CITY COUNCIL

01/03/2006

TIME: 3:30 P.M.
www.ci.rocklin.ca.us

PLACE: Council Chambers
3970 Rocklin Road

1. The Special Meeting of the Rocklin City Council convened at 3:30 p.m. Mayor Magnuson presiding.
2. Roll Call:

Councilmembers: Kathy Lund, Peter Hill, Brett Storey, Ken Yorde,
Mayor George Magnuson

City Personnel: Carlos A. Urrutia, City Manager
Russell H. Hildebrand, City Attorney
Sandra Davies, City Clerk
Several City Employees

Mayor Magnuson stated the ground rules for this meeting and explained that this was for information only and no decisions would be made at this time.

Director of Administrative Services Judy LaPorte explained that there have been some negotiation issues with the different units and this information is being presented so that we all have an understanding of PERS, the costs, and the Governmental Accounting Standards Board (GASB). She introduced the following CalPERS staff who made the presentations and addressed council questions.

- Bill M. Karch, Associate Pension Actuary
- Mark Quillici, Manager, Public Agency & School Programs (Employer & Member Health Services)
- Ken Marzion, Assistant Executive Officer, External Affairs
- Rand Anderson, Manager, External Affairs
- John Bartel, President, Bartel & Associates

REPORTS:

3. City Council will hear presentations by representatives of CalPERS and others relating to retirement plans, health benefits, actuarial valuations and implications of new accounting requirements related to employee benefits.

Mr. Quillici began his presentation with CalPERS Partnerships and an explanation of fixed dollars vs. vesting. He then went into cost issues relating to the competition in Southern California for hospital contracts. He addressed Blue Shield Provider Network changes and the Medicare Movement and requirement for retirees to notify CalPERS when they move into Medicare. He addressed Council questions and concerns. See attached program outline Exhibit A.

Mr. Marzion and Mr. Karch addressed the issues of:

- Account Manager Concept/agency taking issues directly to CalPERS for resolution
- GASB/new organization within CalPERS
- Benefit Formulas/AB616/visibility and reform/defend benefit plan/ACA 23 effective July 1, 2007
- Valuations
- Considerations to Amending Plans
- Political articles and editorials
- open monthly board meetings/opportunity to give input
- Actuary for Pension Plan
- Rate Stabilization Policy Assumptions/every 15 years
- Experience studies every four years/readjust assumptions
- Disability Process

City Manager Carlos Urrutia asked about enhanced employee contracts and costs.

The response was as follows:

3 % @ 60	up to 10% and higher
2.5 % @ 55	up to 4 & 5% and higher
2.7 % @ 55	up to 8% and higher

Longevity, HMO, and PPO Programs were discussed.

EMPC (Employee Paid Member Contribution) and SB 53 were mentioned.

EPMC – safety – 4%
COLA – up 2 to 2 ½ %
safety 3% to 4 or 5%

GASB was then discussed. Please see Retiree Healthcare Plan and GASB 45 Actuarial Valuation Preliminary Results, Exhibit B, provided by Mr. Bartel. He pointed out and briefly discussed the following:

- Actuarial Assumptions (pg.18)
- Definitions (pg. 19 & 20)
- Actuarial Accrued Liability (pg 20)
- Normal Costs (pg. 20)
- Actuarial Obligations & Annual Required Contribution (pg.27 & 28)
- Interest Rate Sensitivity & Amortization Sensitivity (pg. 35 & 36)
- Projections (pg. 41)
- Survey (pg. 43, 44, 45, & 46)

He mentioned bond agencies and unfunded liability which is an issue relating to bond ratings.

Council had questions and made comments relating to the following:

- agencies who pay full benefits/less than 10%
- agencies with split benefits/way more than half
- other cities, counties, school districts/what are they doing?
 - 1) nothing
 - 2) set money aside
 - 3) negotiate with units
- accrual vs. pay-as-you-go
- GASB/approximately 85% will go pay-as-you-go
- Medicare and dependents

4. Meeting adjourned at 5:15 p.m. by Mayor Magnuson.

City Clerk

APPROVED:

George Magnuson, Mayor